



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 17, 2004

H.R. 4116 **American Bald Eagle Recovery and** **National Emblem Commemorative Coin Act**

As cleared by Congress on December 8, 2004

SUMMARY

H.R. 4116 would authorize the U.S. Mint to produce a \$5 gold coin, a \$1 silver coin, and a half-dollar clad coin in calendar year 2008 to celebrate the recovery of the bald eagle and to commemorate the 35th anniversary of the Endangered Species Act of 1973. The legislation would specify a surcharge on the sales price of \$35 for the gold coin, \$10 for the silver coin, and \$3 for the clad coin and would designate the American Eagle Foundation of Tennessee, a nonprofit entity, as the recipient of the income from those surcharges. CBO estimates that enacting H.R. 4116 would have no significant net impact on direct spending over the 2005-2009 period.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

H.R. 4116 could raise as much as \$10.75 million in surcharges if the Mint sells the maximum number of authorized coins. However, recent commemorative coin sales suggest that receipts would be about \$3.5 million. Under current law, the Mint must ensure that it does not lose money producing commemorative coins before transferring any surcharges to a recipient organization. CBO expects that those receipts from such surcharges would be transferred to the foundation in fiscal year 2009. Thus, we estimate that the act would reduce direct spending by \$3.5 million in 2008 and would increase direct spending by \$3.5 million in 2009. Excluding surcharges, CBO expects that the Mint would retain and spend any additional net proceeds generated from such sales to fund other commercial activities and would have a negligible net budgetary impact over time.

H.R. 4116 would limit the collection of surcharges from more than two commemorative coins in any calendar year. According to the Mint, there are currently no commemorative coins scheduled to be issued in 2008, so we expect this provision would not reduce the

collection or spending of surcharges for the American Bald Eagle Recovery and National Emblem Commemorative coins.

In addition, CBO expects that the Mint would use gold obtained from the reserves held at the Treasury to produce the gold coin. Because the budget treats the sale of gold as a means of financing governmental operations—that is, the Treasury’s receipts from such sales do not affect the size of the deficit—CBO has not included such receipts in this estimate. CBO estimates that H.R. 4116 would provide the federal government with about \$3 million in additional cash (in exchange for gold) for financing the federal deficit in fiscal year 2008.

ESTIMATE PREPARED BY: Matthew Pickford

ESTIMATE APPROVED BY:

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis